

AR49



SCINTREX
annual
report
1972

Scintrex is a company which is primarily engaged in the earth sciences and their application to the development of the world's mineral and groundwater resources.

Through its many branches, subsidiaries and representatives, Scintrex's instruments and contract mineral exploration services are available anywhere in the world.

Scintrex subsidiaries and branch offices

Scintrex Limited

Seigel Associates Limited

Toronto, Ontario

Harold O. Seigel, Ph.D., P.Eng., *President*

Robbert A. Bosschart, Ph.D., P.Eng., *Executive Vice President*

Roger H. Pemberton, M.Sc., P.Eng., *Vice President, Operations & Marketing*

Scintrex Inc.

Buffalo, New York

Kenneth L. Malick, *General Manager*

Seigel Associates Limited

Vancouver, British Columbia ; Calgary, Alberta

Peter J. Fominoff, B.A.Sc., *Western Manager*

Scintrex Mineral Surveys, Inc.

Salt Lake City, Utah

Jack C. Webster, *General Manager*

Michael Lewis, M.Sc., P.Eng., *Chief Geophysicist*

Seigel Asociados, S.A. de C.V.

Mexico City, Mexico

Patricio Arcos, *Administrator*

Seigel Associates (International) Limited

Seigel Associates (Jamaica) Limited

Kingston, Jamaica

David V. Williams, B.A.Sc., *General Manager*

Seigel Associates Australasia Pty. Ltd.

Sydney, N.S.W., Australia ; Perth, Western Australia

Anthony W. Howland-Rose, M.Sc., *Managing Director*

Roger Gedde M.Sc., *General Manager*

Scintrex Limited

Seigel Associates Limited

London, England

David Wilson, M.Sc.

Incre-Data Corporation

Albuquerque, New Mexico

James J. Bradley, B.S., *President*

Proginimes Ltée.

Quebec City, Quebec

Mousseau Tremblay, Ph.D., P.Eng., *President*

Prospectores Tecnicos Geoeconomicos C.A.

Caracas, Venezuela

Victor Graterol, G. Ing. de Minas Msc., *Manager*

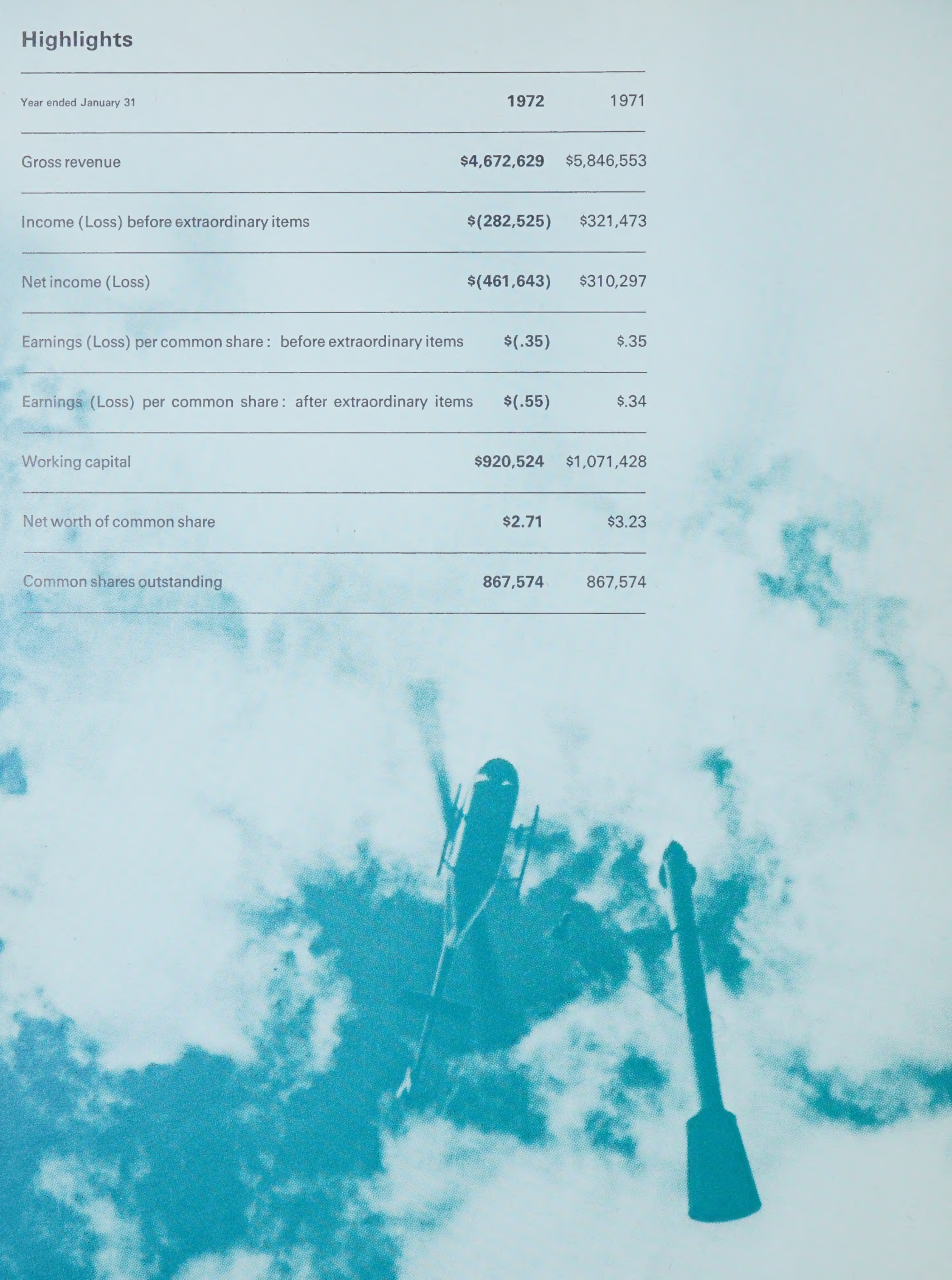


● Scintrex Subsidiaries and Branch Offices.

▲ Contract Exploration Services Provided

Highlights

Year ended January 31	1972	1971
Gross revenue	\$4,672,629	\$5,846,553
Income (Loss) before extraordinary items	\$(282,525)	\$321,473
Net income (Loss)	\$(461,643)	\$310,297
Earnings (Loss) per common share : before extraordinary items	\$(.35)	\$.35
Earnings (Loss) per common share : after extraordinary items	\$(.55)	\$.34
Working capital	\$920,524	\$1,071,428
Net worth of common share	\$2.71	\$3.23
Common shares outstanding	867,574	867,574



President's Report to the Shareholders



The past year has been a disappointment for the directors and the employees of Scintrex Limited and its subsidiaries. It was our first loss year after a succession of nine consecutive profitable years. The net loss, including an extraordinary item of \$179,018, amounted to \$461,643. We are taking steps that should ensure a speedy recovery of profitability and expect to wipe the past year from our memory with the same kind of determination and drive that characterized the growth of your company in the past.

In the company's six months' report, I drew your attention to the recession in the earth sciences and a reduction of investment by mining companies in exploration due to the drop in metal prices in the world market. Even before this recession the management had appreciated the company's vulnerability because of its concentration on the earth

science market and had accordingly accelerated its efforts to diversify into other areas of activity. These include the electronic distance-measuring field, through our partnership with Carrol & Reed Limited and digital data acquisition systems manufactured by Incre-Data Corporation, our subsidiary in Albuquerque, New Mexico. As is evident from our earnings statement, these efforts have not as yet paid off. Our share of Incre-Data's loss for the year was \$73,528 and our partnership with Carrol & Reed Limited fared even worse. We encountered technical difficulties with the electronic distance-measuring Akkuranger and, by the time that these difficulties had been overcome through further development of the product, strong competitors had reached the market ahead of us. Our share of the partnership loss was \$26,098 and we have since made provision for a further loss of \$179,118. Needless to say management has taken all the steps necessary to prevent continuation of losses.

Without our "diversification deficits", the loss for the year would have amounted to \$183,000 after taxes. The actual cash loss (after adding back all non-cash expenses such as depreciation) was \$108,000. I want to remind you that as in the past, we have again written off all research and development expenses, which this year, before deducting govern-

ment grants of \$199,000, were at an all-time high of \$657,000, or 14% of our consolidated sales.

During the year our research and development scientists developed a new geophysical prospecting method called "Magnetic Induced Polarization", as well as a number of new or improved products. These matters are discussed in greater detail in the Research and Development section of this report.

I want to thank all shareholders for their continuing confidence and support and express my gratitude to the employees of Scintrex, who under the trying conditions have remained loyal and hard-working throughout the year.

On behalf of the Board of Directors,

A handwritten signature in blue ink, which appears to read "H. Seigel". The signature is stylized with a large, looping initial "H" and a long, sweeping underline.

Harold O. Seigel, *President*.



Scintrex Limited

Exploration services

Scintrex performs geophysical contracting services world-wide. Airborne and ground exploration services have been provided in more than 40 countries and on all continents.

Revenue from exploration services was reduced by 25% compared to the previous year. Low metals prices with consequent reductions in mining exploration brought about a highly competitive service contracting situation and, consequently, lower than normal contract prices.

Exploration in Canada, the United States, Australia and Mexico was markedly lower than during the prior year. However, your company was able to offset some of this reduction by a number of contracts in Ireland, South Africa, Zambia and Niger.

Our TURAIR helicopter-borne electromagnetic system is particularly sought after for areas where thick overburden,

rugged topography and tall tree cover makes it a requirement for deep penetration. In January of this year, Scintrex started a large Turair contract for a consortium of mining companies on a basis which will permit it to participate as a partner in any resulting mineral discovery.

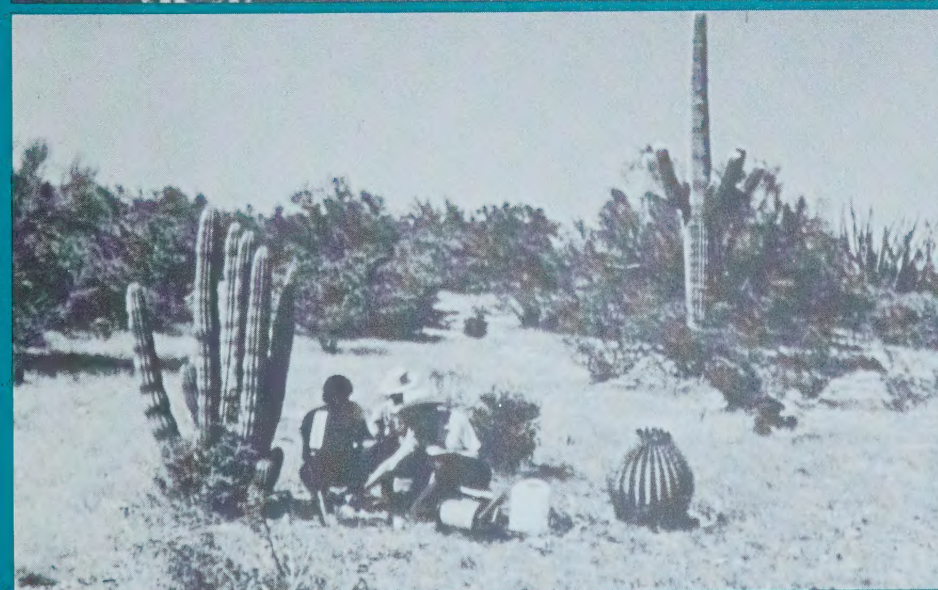
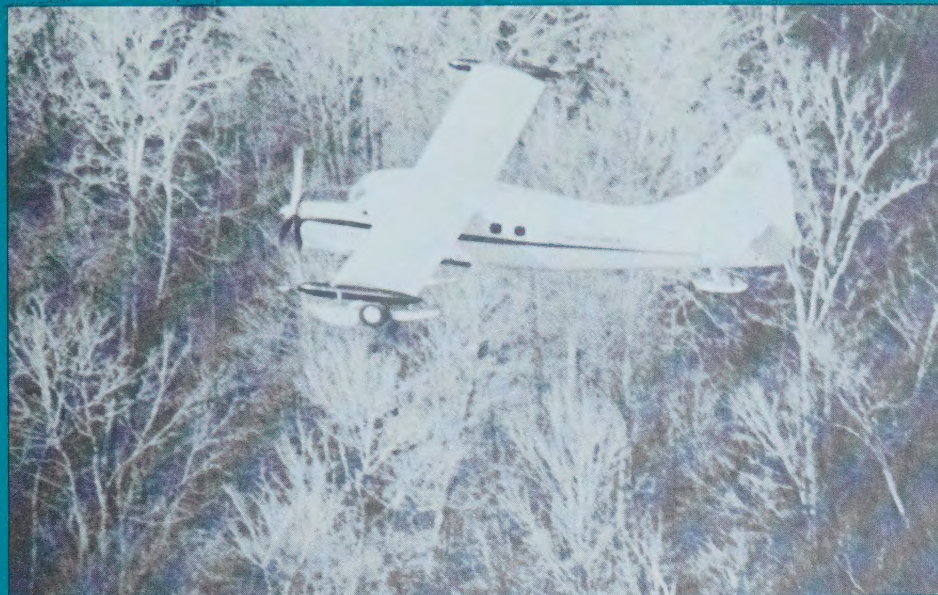
During the past year your company was fairly active on the African continent, especially in Zambia where our Queen Air aircraft performed a large 60,000 line kilometer aeromagnetic and radioactive spectrometer survey. Most of the flying was completed by the end of the year. We also performed a helicopter-borne electromagnetic and magnetic survey in that country as well as a number of such surveys in South Africa. Ground induced polarization and electromagnetic surveys were carried out in South Africa and Niger.

In Australia we performed a large variety of surveys, with the low frequency Turam-type system providing a viable method where there were problems with high surface conduction. Both the Turair and the HEM-701 systems were successfully used. Our truck-mounted HGM-2 mercury detector has been working in

Western Australia for most of the year and is still in use at the present time. The mercury "sniffer" is useful for detecting not only mercury deposits but other base and precious metals which are often associated with mercury.

Induced polarization surveys were actively conducted in Australia, the western U.S.A. and in Ireland.

Although exploration in Canada was greatly reduced, your company conducted fixed-wing Otter and helicopter-borne electromagnetic surveys in Baffin Island and the Northwest Territories. Many ground induced polarization and electromagnetic surveys were carried out often as a follow-up to previously-conducted airborne surveys. Our Turair airborne electromagnetic system was employed in a Northern Ontario survey for the reasons mentioned previously.



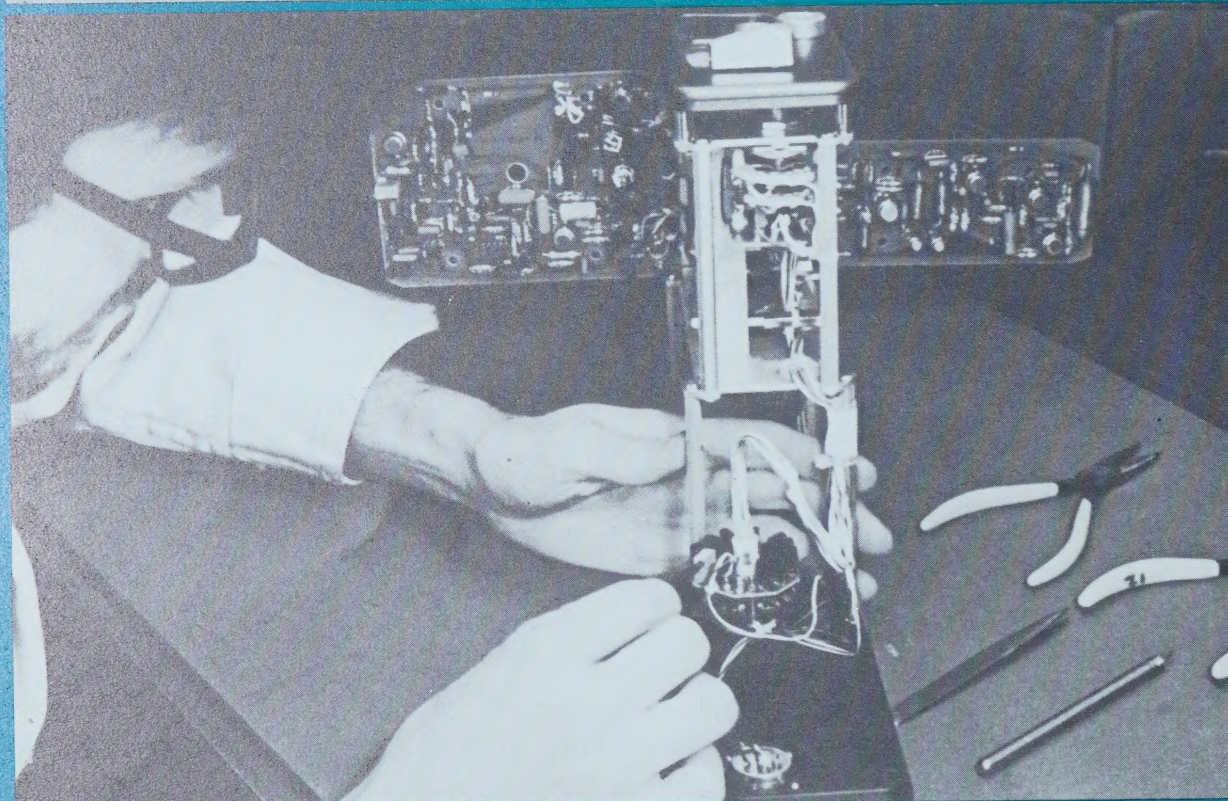
Top left: Scintrex Otter with wing-tip electromagnetic system on survey in Canada.

Top right: Induced polarization survey in the Arctic, N.W.T., Canada.

Middle left: Electromagnetic receiver in QueenAir nose-cone.

Middle right: Alouette II helicopter equipped with Scintrex nuclear precession magnetometer, GDSA-4 four channel spectrometer and HEM-701 electromagnetic system.

Bottom: Induced polarization survey, Mexico.



Top left: Incre-Data Mark II-A, IBM compatible data acquisition system with high speed 40 channel MOS Multiplexer.

Top right: Preparation of fluxgate sensors.

Middle: Assembly of MF-2 fluxgate magnetometer.

Bottom: "Hands Free" communication transceiver.





Scintrex Limited

Instrument division

Geophysical instruments used in mineral explorations have to meet unusually high standards of sensitivity, reliability and rugged performance. Skills developed in the production of geophysical instruments are also used in producing environmental measuring equipment and quality audio communications devices.

With the reduction in capital expenditures for exploration by the mining industry in 1971, there was a decrease of 15% in sales of instruments while instrument rentals increased by 40% over the prior year. Audio communications sales were only slightly lower than last year.

Our largest sale of geophysical instruments was an order amounting to \$230,000 from the Geological Survey of India. A further large amount of equipment will be required by India this year and there is a good possibility that Scintrex will be awarded another substantial order.

New instruments which were brought into production during the year as a result of in-house development include the following :

HGG-3 – portable ground mercury detector, for soil gas analysis for prospecting purposes

IPC 8 – 250 watt battery operated IP transmitter

Turair II – a substantially improved version of the Turair deep-penetration airborne electromagnetic system

GAM-3 – improved analogue and digital four channel radioactive spectrometer for mobile airborne or truck-mounted surveying

SE-77 – “ELFRAM” – extremely low frequency (from 40 to 1000 cycles) ground electromagnetic system of the Turam type

SE-90 – airborne VLF electromagnetic system

All of the above instruments have already produced revenue through sale, lease or use on contract survey by our service divisions.



Scintrex Limited

Research and development

Scientists work in a modern, well-equipped laboratory to evolve new geophysical exploration techniques and instruments for pollution measurement and audio communications as well as for exploration geophysics.

The past year has set a record for Scintrex of \$657,000 research and development expenditure, a 10% increase over the previous year. This is an all-time high which will likely stand for some years as corporate expenditures in this area are already on the downtrend.

The tendency during this year has been for concentration on fewer, but larger projects, some planned for up to five year's duration. This trend has resulted in part from an increased reliance on Canadian government research assistance funding, which favors larger projects of greater duration. Scintrex has currently three programs which are assisted by government research grants. Application is being made for funding of two further programs. Such assistance commonly amounts to approximately 50% of the total expenditure on the projects covered.

The two largest programs now underway in our laboratories, both government assisted, are the Magnetic Induced Polarization (M.I.P.[®]) method and the Neutron Activation Analysis investigations.

The former, on which extensive patent applications have been made and some patents already granted, provides a radical

innovation in induced polarization measurements. The M.I.P. method offers the potential for a broad range of proprietary instrument sales, leases and services in this very important area of mineral exploration. It has already been successfully tested over a number of mineral occurrences and further field tests are underway. Improvements based upon the results of these field tests are being made.

During the past year a specially designed and equipped nuclear laboratory has been built and now houses our neutron activation logging facility. The purpose of this laboratory is to permit the development of hardware and interpretive techniques for the in-situ quantitative analysis, by nuclear means, of geologic materials. Bore hole conditions can be simulated in a number of shafts, one four feet in diameter and 40 feet deep, which can be loaded with up to 17 tons of material of known composition. Three nuclear physicists and two laboratory technicians are engaged full time on this project.

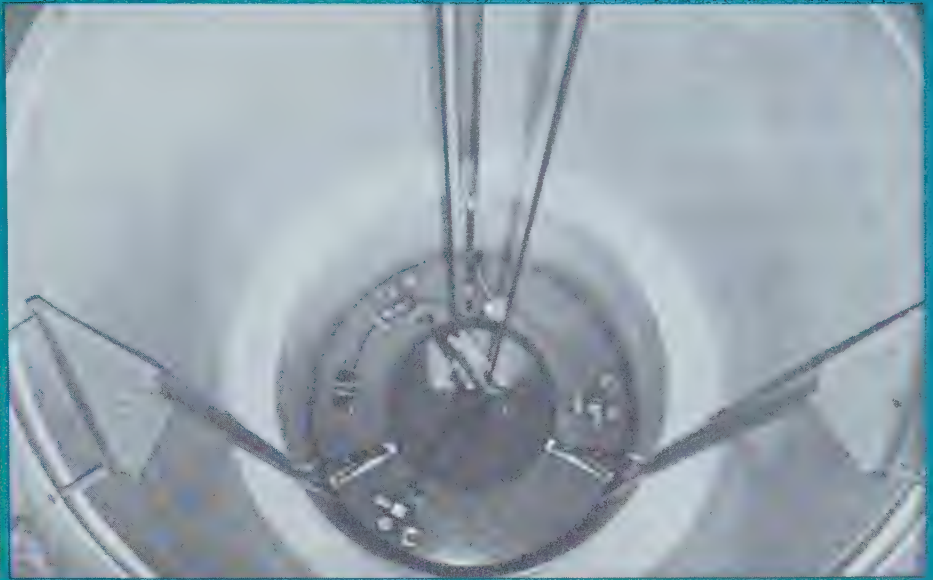
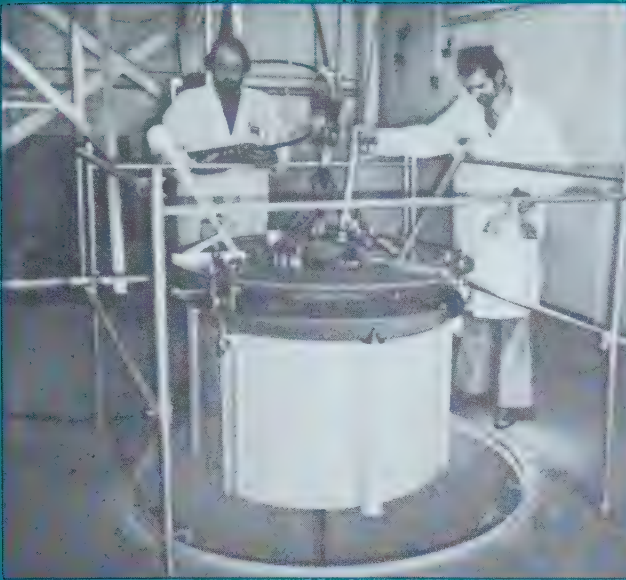
Our nuclear scientists have already successfully demonstrated the feasibility of analysing the copper content of typical porphyry copper ores. When incorporated into a field-worthy logging system, this method should greatly expedite the development and even production of open-pit, porphyry copper deposits. The development of techniques for quantitative analysis for other metals of economic interest is expected to follow.

In the realm of airborne electromagnetic systems, the development of the Turair II has already been mentioned. This is a dual frequency version of the basic Turair

system, with substantial improvements effected in the bird design and suspension, as well as in the cable laying system, the suppression of instrumental noises and the introduction of automatic range switching. Excellent results have already been obtained through the use of this system in Turair surveys in Canada, U.S.A. and Australia.

A complete redesign and reconstruction of the Otter, wholly airborne electromagnetic system is now being completed and should shortly be available for service. This new version is called the TRIDEM system and is expected to be well received by the mining industry in Canada and the U.S.A. It is a superior and much more versatile airborne electromagnetic prospecting system than our present one.

Mention has been made above of new instruments on which research and development has been completed and which are already being offered for sale, including the HGG-3 portable ground mercury (soil gas) detector, the IPC-8 250 watt battery operated transmitter, the GAM-3 four-channel gamma ray spectrometer, the SE-77 ELFRAM extremely low frequency electromagnetic unit and the SE-90 airborne electromagnetic detector. A number of other instruments are in an advanced stage of development and should come into production during the present year.



Top left: Ore sample cylinder about to be lowered into borehole test facility.

Top right: Neutron Activation laboratory—view of the upper section of the borehole test facility with lifting device in operation.

Bottom left: Assembly of 15 kVA induced polarization transmitter.

Bottom right: Research and Development section, Concord plant.



Scintrex Limited

Outlook

Scintrex's new products and services, reduced overheads and no repetition of "diversification deficits", combined with improved exploration markets, should see Scintrex return to its traditional profitability.

The outlook for your company's exploration services division is more optimistic than last year largely because of Scintrex's special capabilities, rather than due to any major recovery in the overall exploration activity. The Turair airborne electromagnetic system has already been used this year in Australia, Canada and the U.S.A. and the much delayed Venezuelan program, valued at approximately \$400,000, is now expected to begin in our third quarter. Where the Turair method is offered on an exclusive-use basis, Scintrex is in a position to obtain a carried interest in ore deposits found. As was previously indicated, a major program of this type is presently in progress in eastern Canada.

In the field of airborne electromagnetics, we are close to the completion of a multiple frequency Otter-borne system known as the TRIDEM. This system will greatly increase the amount of useful information to be derived from such surveys and should gain for Scintrex a good share of the exploration market in Canada and the U.S.A.

Our newly developed Magnetic Induced Polarization (M.I.P.[®]) method is in its late stages of ground field testing over porphyry copper resources in western North America and is yielding very satisfactory results. Actual revenue-producing surveys are scheduled to commence with this system in our second quarter, although large scale use of the method cannot be expected before 1973.

The increase in the price of base metals and gold, which has come about since the start of this year, will greatly improve the 1972 earnings of the world's mining companies. No doubt exploration budgets for 1973 will reflect these improved earnings and give rise to a marked upswing in Scintrex's service and instrument sales, possibly as early as the fourth quarter of the current fiscal year.

With the object of developing the sales of geophysical prospecting instruments in an untapped, potentially large market, your president has made two trips to China in the past six months, the second trip as an invited member of the Ontario Government trade mission to Peking in March, 1972. Scintrex has agreed to display its equipment in the Canada Solo Fair, sponsored by the Government of Canada, to be held in Peking in August and September of this year. Even though results are difficult to predict, possibilities of sales to this market are good.

In general, your management has taken steps to reinforce the company's marketing efforts in both services and instrument sales around the world, through the addition of qualified personnel and better planning.

Important reductions have been made in overhead expenses in both manufacturing and services, resulting in better profit margins. The serious losses encountered in our "diversification subsidiaries" in the past year have been stemmed through much tighter management control.

With the reduction in operating costs, a trend toward a firmer market and with new products and services coming on-stream management feels confident that the present year will see a return to your company's traditional profitability.



Scintrex Limited

Consolidated Statement of Income and Retained Earnings

for the year ended January 31

	1972	1971
Sales	<u>\$4,672,629</u>	<u>\$5,846,553</u>
Cost of sales, including selling and administrative expenses	<u>4,198,831</u>	<u>4,697,202</u>
Depreciation and amortization	<u>336,556</u>	<u>282,074</u>
Research and development expenses	<u>657,218</u>	<u>600,956</u>
Share of deficit in Incre-Data Corporation	<u>73,528</u>	<u>—</u>
Share of loss in partnership (Note 8)	<u>26,098</u>	<u>—</u>
Minority interest	<u>(12,408)</u>	<u>1,223</u>
	<u>5,279,823</u>	<u>5,581,455</u>
Less research and development grants from the Government of Canada	<u>198,798</u>	<u>146,853</u>
	<u>5,081,025</u>	<u>5,434,602</u>
Income (loss) before income taxes	<u>(408,396)</u>	<u>411,951</u>
Income taxes (Note 5)	<u>(125,871)</u>	<u>90,478</u>
Income (loss) before extraordinary items	<u>(282,525)</u>	<u>321,473</u>
<i>Extraordinary items:</i>		
Provision for loss re partnership (Note 8)	<u>(179,118)</u>	<u>—</u>
Foreign exchange loss	<u>—</u>	<u>(11,176)</u>
	<u>(179,118)</u>	<u>(11,176)</u>
Net income (loss)	<u>(461,643)</u>	<u>310,297</u>
Retained earnings at beginning of year	<u>1,422,339</u>	<u>1,131,692</u>
	<u>960,696</u>	<u>1,441,989</u>
Less dividends declared on preference shares (Note 3)	<u>9,825</u>	<u>19,650</u>
Retained earnings at end of year	<u>\$ 950,871</u>	<u>\$1,442,339</u>
Earnings (loss) per common share (after preferred dividend requirements) :		
Income (loss) before extraordinary items	\$ (.348)	\$.350
Net income (loss)	\$ (.555)	\$.337

See accompanying notes



Scintrex Limited

Consolidated Balance Sheet

January 31

Assets	1972	1971
<i>Current:</i>		
Receivables	\$ 990,171	\$1,506,921
Inventories, at the lower of cost and net realizable value	1,040,287	1,164,839
Prepaid expenses and sundry assets	71,122	61,133
	<u>2,101,580</u>	<u>2,732,893</u>
Investment in and advances to non-consolidated subsidiary (Note 1)	70,423	51,855
Properties and equipment, at cost	3,059,030	2,766,370
Less accumulated depreciation	1,049,926	790,156
	<u>2,009,104</u>	<u>1,976,214</u>
<i>Other:</i>		
Patents and processes, at cost less accumulated amortization (1972-\$39,381 ; 1971-\$25,753)	119,916	110,997
Excess of cost of subsidiaries over book value on acquisition	342,932	342,932
	<u>462,848</u>	<u>453,929</u>
	<u><u>\$4,643,955</u></u>	<u><u>\$5,214,891</u></u>

Auditors' Report

To the Shareholders of Scintrex Limited

We have examined the consolidated balance sheet of Scintrex Limited and its subsidiaries as at January 31, 1972 and the consolidated statements of income and retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Ontario,
April 20, 1972

	<u>1972</u>	<u>1971</u>
Liabilities		
<i>Current:</i>		
Bank indebtedness (secured)	\$ 586,103	\$ 931,082
Accounts payable and accrued liabilities	468,451	511,921
Income taxes payable	51,502	183,802
Current portion of long-term debt	75,000	34,660
	<u>1,181,056</u>	<u>1,661,465</u>
Long-term debt (Note 2)	611,648	127,647
Deferred income taxes	166,848	289,321
Minority interest	<u>(4,266)</u>	<u>8,322</u>
Shareholders' Equity		
Capital (Note 3) :		
<i>Authorized:</i>		
350,000 Preference shares, \$1 par value, 6% cumulative, non-voting, convertible		
3,000,000 Common shares, no par value		
<i>Issued:</i>		
327,500 Preference shares	327,500	327,500
867,574 Common shares	1,337,328	1,337,328
	<u>1,664,828</u>	<u>1,664,828</u>
Contributed surplus (Note 4)	72,970	40,969
Retained earnings	950,871	1,422,339
	<u>2,688,669</u>	<u>3,128,136</u>
	<u>\$4,643,955</u>	<u>\$5,214,891</u>

See accompanying notes

Approved on behalf of the Board of Directors :

Harold O. Seigel, Director

Alfred J. Shaul, Director

In our opinion these consolidated financial statements present fairly the financial position of the Companies as at January 31, 1972 and the results of their operations and the source and use of their funds for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Scintrex Limited

Consolidated Statement of Source and Use of Funds

for the year ended January 31

	1972	1971
Working capital at beginning of year	<u>\$1,071,428</u>	<u>\$1,172,367</u>
<i>Source of funds:</i>		
From operations:		
Net income (loss)	(461,643)	310,297
Add depreciation and amortization, deferred taxes and other items not requiring an outlay of funds	<u>201,495</u>	<u>206,333</u>
	(260,148)	516,630
Government of Canada grant re property and equipment	32,001	3,969
Increase in long-term debt	484,001	(70,514)
Repayment of advance by affiliated company	—	33,755
Proceeds from issue of common shares	—	14,440
	<u>255,854</u>	<u>498,280</u>
	<u>1,327,282</u>	<u>1,670,647</u>
<i>Use of funds:</i>		
Net additions to properties, equipment and other assets	378,365	527,714
Net investment in and advances to non-consolidated subsidiary	18,568	51,855
Dividends on preference shares	9,825	19,650
	<u>406,758</u>	<u>599,219</u>
Working capital at end of year	<u>920,524</u>	<u>1,071,428</u>
Decrease in working capital	<u>\$ 150,904</u>	<u>\$ 100,939</u>

See accompanying notes

Notes to Consolidated Financial Statements

for the year ended January 31, 1972

1. Principles of consolidation:

The consolidated financial statements include the accounts of all subsidiaries and the results of their operations for the year except that the Company's investment in and advances to Incre-Data Corporation, a foreign subsidiary (54.3% owned) is stated on the consolidated balance sheet at cost less the Company's share of the deficit of such subsidiary. In the Company's view, this method provides the most effective form of presentation of its investment in the subsidiary.

The accounts of the consolidated foreign subsidiaries are converted into Canadian currency at rates of exchange current at January 31, 1972. Properties and equipment are at rates prevailing on dates of acquisition.

2. Long-term debt:

Scintrex Limited:

Bank debenture, at prime rate plus 1¾%, maturing September 30, 1981, secured by a floating charge on all assets excluding real estate. \$487,500

Scintrex Inc.:

7¾% mortgage payable, maturing March 31, 1984. The mortgage is on real estate. 102,482

Note payable, at prime rate plus 1¾%, maturing November 15, 1976, guaranteed by parent company. 96,666
686,648

Less amounts due within one year 75,000
\$611,648

The aggregate amount of principal payments required in each of the next five years is estimated as follows:

1973-\$75,000; 1974-\$75,600; 1975-\$76,300; 1976-\$77,000; 1977-\$74,666.

3. Capital:

Preference shares:

The preference shares may be converted at any time by the holder or holders thereof into fully-paid common shares (as presently constituted) of the Company on the basis of one common for two preference shares. Dividends on these 6% cumulative preference shares are payable semi-annually on the last days of July and January of each year. These shares are non-voting unless the Company has failed to pay dividends for a period of two years. The dividend for the half year to July 31, 1971 amounting to \$9,825 has been declared. The dividend for the half year to January 31, 1972 has not yet been declared.

Employee stock options:

32,550 common shares have been set aside under the Company's revised 1971 Incentive Stock Option Plan. One-third or 10,850 shares per annum may be issued to employees over a three year period commencing July 1, 1972, at prices of \$2.04 and \$2.465 per share.

4. Contributed surplus:

This arises from grants under the Industrial Research and Development Incentives Act for capital expenditures incurred

for the acquisition of property and equipment. The Act provides for recovery of all or part of the grants where the property and equipment acquired has been sold, destroyed or ceases to be used for scientific research and development. The grant for the current year amounted to \$32,001.

5. Income taxes:

Current recoverable	\$ (3,398)
Reduction in deferred taxes	(122,473)
	<u>\$(125,871)</u>

Income for the year includes:

(a) Non-taxable grants received from the Government of Canada, and

(b) Profits of foreign subsidiaries which are entitled to exemption from tax in the foreign jurisdiction.

6. Commitments and contingencies:

(a) The Company and certain subsidiaries have rental commitments in respect of leased premises for periods up to 1984. The commitments for the next five years are approximately as follows:

1973-\$37,950; 1974-\$33,500; 1975-\$33,500; 1976-\$21,750; 1977-\$17,250.

(b) The Company has guaranteed bank loans of \$238,000 to certain subsidiaries.

(c) Claims of foreign subsidiaries for exemption from taxes for 1967 to 1972 amounting to \$149,000, approximately, have been filed with foreign tax authorities who have not yet processed and granted the exemptions.

Until relief is granted, there is also a contingent liability for tax of \$131,000 approximately, in respect of dividends paid gross by such foreign subsidiaries.

(d) Pending legal proceedings against the Company and a wholly-owned subsidiary are limited to litigation incidental to the business of the Company and its wholly-owned subsidiary. Liability with respect to the actions has been denied, and while the ultimate result is not determinable at this time, it is believed that the Company and its subsidiary have meritorious defences thereto.

7. Remuneration of directors and senior officers:

Total remuneration paid to directors and senior officers amount to \$129,600 for the year (\$159,925 in 1971).

8. A wholly-owned subsidiary and Carroll & Reed Limited entered into a partnership in May, 1971 to manufacture and market an electronic distance measuring device. Under the terms of the agreement, the Company provided the working capital by way of advances to the partnership. The wholly-owned subsidiary's share of the current year's loss of the partnership amounted to \$26,098. The Company considers it prudent to make provision for the possible loss of its advances to and for obligations of the partnership amounting to \$179,118, shown as an extraordinary item in the statement of income.



Scintrex Limited

Ten Year Financial Summary

year ended January 31

	1972	1971	1970	1969	1968
Earnings					
Gross Revenue	\$ 4,673	5,847	5,318	3,153	2,359
Net Income (loss) before extraordinary items	\$ (283)	321	462	293	301
Net Income (loss)	\$ (462)	310	512	293	301
Per Common Share	\$ (.55)	.34	.58	.33	.34
Balance Sheet					
Working Capital	\$ 921	1,071	1,172	1,172	1,050
Property, Plant and Equipment (net)	\$ 2,009	1,976	1,731	705	467
Total Assets	\$ 4,644	5,215	4,474	2,850	2,272
Net worth of common share	\$ 2.71	3.23	2.91	2.28	1.93
No. of Common Shares Outstanding at Year End	867,574	867,574	855,614	836,544	821,578

*Note: Amounts shown above are thousands of dollars with the exception of net income and net worth per common share, which are stated in dollars.
Effect of stock splits in 1967 and 1970 are included in the above.*

Directors and Officers

1967	1966	1965	1964	1963
1,015	762	612	538	411
151	62	20	43	62
151	62	20	43	62
.32	.13	.04	.14	.22
522	418	336	270	175
164	117	120	129	144
1,052	935	897	744	635
1.89	1.82	1.73	2.00	1.82
473,144	473,144	473,144	308,653	283,653

Directors

Harold O. Seigel
 Alfred J. Shaul
 William L. Seigel
 Robbert A. Bosschart
 Roger H. Pemberton
 Duncan R. Derry
 Gerald Stork

Officers

Harold O. Seigel, Ph.D., P.Eng., *President*
 Robbert A. Bosschart, Ph.D., P.Eng., *Executive Vice President*
 Roger H. Pemberton, M.Sc., P.Eng., *Vice President, Operations & Marketing*
 Alfred J. Shaul, O.C., *Secretary-Treasurer*
 Gerald Stork, C.A., P.Eng., *Vice President, Finance*
 Valentine Burda, M.Sc., *Vice President, Research & Development*
 Erik Kalfus, P.Eng., *Vice President, Manufacturing*

Solicitor

Alfred J. Shaul

Bankers

Bank of Nova Scotia
 Marine Midland Bank

Auditors

Laventhol Krekstein Horwath & Horwath

Transfer Agents and Registrar

Guaranty Trust Company of Canada

Head Office

222 Snidercroft Road, Concord, Ontario

